

Deutsche Bank (Malaysia) Berhad
Company Registration No. 199401026871 (312552-W)
(Incorporated in Malaysia)
and its subsidiaries

Unaudited Condensed Interim Financial Statements
for the Financial Period ended 30 September 2024

Domiciled in Malaysia
Registered office:
Level 19, Menara IMC No. 8 Jalan Sultan Ismail 50250 Kuala Lumpur



For internal use only

Consolidated Statements of Financial Position
As at 30 September 2024 - Unaudited

	Note	Group		Bank	
		30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Assets					
Cash and short-term funds	12	2,295,147	3,333,275	2,295,147	3,333,275
Reverse repurchase agreements		494,451	320,131	494,451	320,131
Financial securities measured at FVTPL	13	2,017,761	2,399,445	2,017,761	2,399,445
Financial securities measured at FVOCI	14	2,023,072	1,586,931	2,023,072	1,586,931
Loans, advances and financing	15	2,241,866	2,026,863	2,241,866	2,026,863
Derivative assets		2,142,568	2,930,813	2,142,568	2,930,813
Other assets	16	1,216,143	408,221	1,216,143	408,221
Statutory deposit with Bank Negara Malaysia		10,000	10,000	10,000	10,000
Investments in subsidiary companies		-	-	20	20
Property and equipment		7,051	8,193	7,051	8,193
Right-of-use assets		3,623	3,950	3,623	3,950
Deferred tax assets		3,301	5,388	3,301	5,388
Total assets		<u>12,454,983</u>	<u>13,033,210</u>	<u>12,455,003</u>	<u>13,033,230</u>
Liabilities and equity					
Deposits from customers	17	5,333,045	6,121,494	5,333,065	6,121,514
Deposits and placements of banks and other financial institutions	18	957,107	1,261,534	957,107	1,261,534
Lease liabilities		3,643	4,497	3,643	4,497
Derivative liabilities		2,546,539	2,878,227	2,546,539	2,878,227
Other liabilities	19	1,712,594	857,444	1,712,594	857,444
Tax payable		19,167	14,386	19,167	14,386
Total liabilities		<u>10,572,095</u>	<u>11,137,582</u>	<u>10,572,115</u>	<u>11,137,602</u>
Equity					
Share capital		531,362	531,362	531,362	531,362
Reserves		1,351,526	1,364,266	1,351,526	1,364,266
Total equity attributable to owner of the Bank		<u>1,882,888</u>	<u>1,895,628</u>	<u>1,882,888</u>	<u>1,895,628</u>
Total liabilities and equity		<u>12,454,983</u>	<u>13,033,210</u>	<u>12,455,003</u>	<u>13,033,230</u>
Commitments and contingencies	26	<u>183,679,862</u>	<u>132,893,883</u>	<u>183,679,862</u>	<u>132,893,883</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2023.

Consolidated Statements of Profit or Loss and Other Comprehensive Income
 For The Financial Period Ended 30 September 2024 - Unaudited

	Note	Group and Bank			
		Nine months ended		Three months ended	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Interest income	20	271,403	235,461	85,083	87,400
Interest expense	21	(107,966)	(70,821)	(34,307)	(31,073)
Net interest income		163,437	164,640	50,776	56,327
Net income from Islamic Banking					
Operations	28	3,756	3,744	1,305	1,284
Non-interest income	22	188,074	164,405	78,030	54,112
Operating income		355,267	332,789	130,111	111,723
Other operating expenses	23	(130,266)	(130,480)	(45,262)	(49,714)
Operating profit		225,001	202,309	84,849	62,009
Write-back of/(Allowance for) expected credit losses	24	341	527	269	220
Profit before tax		225,342	202,836	85,118	62,229
Tax expense		(55,557)	(63,596)	(21,154)	(14,195)
Net profit for the period		169,785	139,240	63,964	48,034
Other comprehensive income:					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Net change in fair value on debt securities measured at FVOCI		11,159	10,738	9,132	(2,832)
Net changes in ECL reserves		249	(23)	(26)	89
Income tax effect		(2,738)	(2,572)	(2,187)	657
Total other comprehensive income for the period		8,670	8,143	6,919	(2,086)
Total comprehensive income for the period		178,455	147,383	70,883	45,948
Earnings per share (sen)		97.8 sen	80.2 sen	36.8 sen	27.7 sen

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2023.

Consolidated Statements of Changes In Equity
 For The Financial Period Ended 30 September 2024

Group and Bank	← Attributable to owner of the Bank →					Total RM'000
	Share capital	Non-distributable Other reserves	ECL reserves	Distributable Retained earnings	Total reserves	
	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2024	531,362	57,703	429	1,306,134	1,364,266	1,895,628
Net change in fair value on debt securities measured at FVOCI	-	8,481	-	-	8,481	8,481
Net changes in ECL reserves	-	-	189	-	189	189
Total other comprehensive income for the period	-	8,481	189	-	8,670	8,670
Profit for the period	-	-	-	169,785	169,785	169,785
Total comprehensive income for the period	-	8,481	189	169,785	178,455	178,455
Dividend paid	-	-	-	(191,195)	(191,195)	(191,195)
At 30 September 2024	531,362	66,184	618	1,284,724	1,351,526	1,882,888

Consolidated Statements of Changes In Equity
 For The Financial Period Ended 30 September 2023

Group and Bank	← Attributable to owner of the Bank →					Total RM'000
	Share capital RM'000	Non-distributable Other reserves RM'000	ECL reserves RM'000	Distributable Retained earnings RM'000	Total reserves RM'000	
At 1 January 2023	531,362	40,051	534	1,328,780	1,369,365	1,900,727
Net change in fair value on debt securities measured at FVOCI	-	8,161	-	-	8,161	8,161
Net changes in ECL reserves	-	-	(18)	-	(18)	(18)
Total other comprehensive income/(loss) for the period	-	8,161	(18)	-	8,143	8,143
Profit for the period	-	-	-	139,240	139,240	139,240
Total comprehensive income/(loss) for the period	-	8,161	(18)	139,240	147,383	147,383
Dividend paid	-	-	-	(213,841)	(213,841)	(213,841)
At 30 September 2023	531,362	48,212	516	1,254,179	1,302,907	1,834,269

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2023.

Condensed Consolidated Statements Of Cash Flows
 For The Financial Period Ended 30 September 2024

	Group and Bank	
	30 September 2024 RM'000	30 September 2023 RM'000
Profit before tax	225,342	202,836
Adjustments for non-operating and non-cash items	460,328	15,227
Operating profit before working capital changes	685,670	218,063
Changes in working capital:		
Net changes in operating assets	3,761,993	(6,737,750)
Net changes in operating liabilities	(5,241,003)	7,264,504
Income tax paid	(51,426)	(40,565)
Tax refund	-	20,360
Net cash (used in)/ generated from operations	(844,766)	724,612
Cash flows from investing activities:		
Dividend received	60	60
Purchase of property and equipment	(1,366)	(79)
Net cash used in investing activities	(1,306)	(19)
Cash flows from financing activities:		
Payment of lease liabilities	(869)	(990)
Dividends paid	(191,195)	(213,841)
Net cash used in financing activities	(192,064)	(214,831)
Net (decrease)/ increase in cash and cash equivalents	(1,038,136)	509,762
Cash and cash equivalents at beginning of the period	3,333,299	2,396,653
Cash and cash equivalents at end of the period	2,295,163	2,906,415
Analysis of cash and cash equivalents:		
Cash and short-term funds	2,295,163	2,906,415

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2023.

Explanatory Notes to the Interim Financial Statements
for the Financial Period Ended 30 September 2024

1. Basis of preparation

The unaudited interim financial statements for the financial period ended 30 September 2024 have been prepared under the historical cost convention except for reverse repurchase agreements, financial securities and derivative financial instruments which are stated at fair values.

The unaudited interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 December 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2023.

The unaudited interim financial statements incorporated those activities relating to the Islamic banking business. Islamic banking business refers generally to the acceptance of deposits under the principles of Shariah.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2023, except for the adoption of the following Malaysian Financial Reporting Standard ("MFRS"), Amendments to MFRSs and IC Interpretation that have been issued by the Malaysian Accounting Standard Board ("MASB"):

The following are financial reporting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Bank:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

1. Basis of preparation (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Bank plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2025 for the amendments that is effective for annual periods beginning on or after 1 January 2025;
- from the annual period beginning on 1 January 2026 for the amendments, that is effective for annual periods beginning on or after 1 January 2026; and
- from the annual period beginning on 1 January 2027 for the amendments, that is effective for annual periods beginning on or after 1 January 2027.

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Bank.

2. Audit Report

The audit report on the audited annual financial statements of the Group and the Bank for the financial year ended 31 December 2023 was not subject to any qualification.

3. Seasonality or Cyclicity of Operations

The business operations of the Group and the Bank are not subject to material seasonal or cyclical fluctuations.

4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and of the Bank for the financial period ended 30 September 2024.

5. Changes in Estimates

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and the Bank for the financial period ended 30 September 2024.

6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities during the financial period ended 30 September 2024.

7. Dividend Paid

Since the end of the previous financial year, the Bank paid the final dividend of 110.1 sen per ordinary share totalling RM191,195,000 in respect of the financial year ended 31 December 2023. The dividend was paid in tranches in July 2024.

8. Material Events

There were no material events subsequent to the reporting date that require disclosure or adjustments to the unaudited condensed interim financial statements.

9. Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 September 2024.

10. Review of Performance

The Bank recorded profit before tax for the financial period ended 30 September 2024 of RM225.3 million compared to RM202.8 million for the previous corresponding period. Operating income increased by RM22.5 million (6.8%) from RM332.8 million to RM355.3 million, mainly attributed to higher non-interest income by RM23.7 million (14.4%) to RM188.1 million against RM164.4 million in the previous corresponding period. Net interest income decreased by RM1.2 million (-0.7%) from RM164.6 million to RM163.4 million.

Total assets registered a decrease of RM0.5 billion or 4.4% from RM13.0 billion as at 31 December 2023 to RM12.5 billion as at 30 September 2024. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 19.1% and 19.7%, respectively.

11. Prospects

The global economy is grappling with persistent uncertainty, exacerbated by the ongoing repercussions of the pandemic, which continue to disrupt supply chains and compromise economic stability. The US economy is anticipated to maintain a steady growth trajectory, supported by a resilient labor market and unwavering consumer confidence. The outcome of the forthcoming US election could have a profound impact on international trade policies, potentially exacerbating existing tensions with China and leading to further disruptions in global supply chains. The European economy is experiencing a period of tepid growth, with the risk of a more substantial slowdown looming due to a lack of competitiveness, which is impeding economic activity. Additionally, the persistent energy crisis and escalating geopolitical tensions in Europe pose a significant threat to the region's economic outlook.

The global disinflationary trend is gradually diminishing as inflationary pressures persist across various regions. This could impede any potential monetary policy easing by major central banks. Notwithstanding a forecast of moderate global growth, the outlook is characterized by significant risks, including the potential for economic downturns in the US and EU due to the lagged effects of monetary policy.

Malaysia has exhibited remarkable resilience in the face of global challenges and maintains a positive growth outlook, as evidenced by the appreciation of the Ringgit. The country's export sectors are poised to witness a significant uptick in the mid-term, driven by trade substitution and diversion arising from the substantial tariffs imposed on Chinese goods. The recent implementation of tax incentives for the Forest City special financial zone could serve to attract increased foreign investment, potentially mitigating the impact of Malaysia's adoption of the Global Minimum Tax in 2025.

12. Cash and cash equivalents

Cash and short-term funds

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Cash and balances with banks and other financial institutions	303,760	228,309
Money at call and deposit placements maturing within one month	<u>1,991,403</u>	<u>3,104,990</u>
	2,295,163	3,333,299
Expected credit losses on cash and cash equivalents		
• Stage 1 – 12-month ECL	<u>(16)</u>	<u>(24)</u>
	<u><u>2,295,147</u></u>	<u><u>3,333,275</u></u>

12. Cash and cash equivalents (continued)

The following table shows reconciliations from the opening to the closing balance of the expected credit losses for cash and cash equivalents.

Group and Bank	2024				2023			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Cash and cash equivalents								
Balance at 1 January	24	-	-	24	41	-	-	41
Net remeasurement of expected credit losses	(4)	-	-	(4)	(14)	-	-	(14)
New financial assets originated or purchased	2	-	-	2	6	-	-	6
Financial assets that have been derecognised	(6)	-	-	(6)	(9)	-	-	(9)
Balance at 30 September / 31 December	16	-	-	16	24	-	-	24

13. Financial securities measured at FVTPL

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Debt securities at FVTPL		
Malaysian Government Securities	1,381,349	1,297,613
Malaysian Investment Issue	296,995	231,057
Bank Negara Malaysia Bills	-	600,617
Treasury Bills	59,368	-
Cagamas bonds	280,049	270,158
	<u>2,017,761</u>	<u>2,399,445</u>

14. Financial securities measured at FVOCI

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Debt securities at FVOCI		
Malaysian Government Securities	821,228	872,726
Malaysian Investment Issue	<u>1,182,240</u>	<u>694,601</u>
	<u>2,003,468</u>	<u>1,567,327</u>
Equity investments at FVOCI		
Unquoted shares in Malaysia	<u>19,604</u>	<u>19,604</u>
	<u>2,023,072</u>	<u>1,586,931</u>

14. Financial securities measured at FVOCI (continued)

The following table shows reconciliations from the opening to the closing balance of the expected credit losses for debt securities at FVOCI.

Group and Bank	2024				2023			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Debt securities at FVOCI								
Balance at 1 January	565	-	-	565	703	-	-	703
Net remeasurement of expected credit losses	(20)	-	-	(20)	(159)	-	-	(159)
New financial assets originated or purchased	269	-	-	269	26	-	-	26
Financial assets that have been derecognised	-	-	-	-	(5)	-	-	(5)
Balance at 30 September / 31 December	814	-	-	814	565	-	-	565

15. Loans, advances and financing

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
<i>At amortised cost</i>		
Overdrafts	80,051	110,422
Term loans - Housing loans	2,848	3,553
- Other term loans	1,196,344	1,026,155
Bill receivable	36,260	8,214
Trust receipts	58,771	134,629
Claims on customers under acceptance credits	880,708	752,973
	<u>2,254,982</u>	<u>2,035,946</u>
Unearned interest	(10,490)	(5,875)
Gross loans, advances and financing	2,244,492	2,030,071
Expected credit losses for loans and financing	(2,626)	(3,208)
Net loans, advances and financing	<u>2,241,866</u>	<u>2,026,863</u>

15. Loans, advances and financing (continued)

The following table shows reconciliations from the opening to the closing balance of the expected credit losses for loans, advances and financing.

Group and Bank	2024				2023			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost								
Balance at 1 January	1,822	192	1,194	3,208	2,450	110	1,521	4,081
Transfer to 12-month ECL	83	(17)	(66)	-	116	(27)	(89)	-
Transfer to lifetime ECL not credit-impaired	-	-	-	-	(124)	124	-	-
Transfer to lifetime ECL credit-impaired	(78)	-	78	-	(75)	-	75	-
Net remeasurement of expected credit losses	(235)	(5)	(174)	(414)	(95)	(23)	(313)	(431)
New financial assets originated or purchased	439	45	-	484	517	81	-	598
Financial assets that have been derecognised	(525)	(127)	-	(652)	(967)	(73)	-	(1,040)
Balance at 30 September / 31 December*	1,506	88	1,032	2,626	1,822	192	1,194	3,208

* The loss allowance in this table includes ECL on loan commitment and financial guarantees of RM1,513,000 (31 December 2023: RM1,912,000) as at the reporting date.

15. Loans, advances and financing (continued)

The maturity structure of gross loans, advances and financing are as follows:

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Maturing within one year	2,154,409	1,946,737
More than one year and three years	88,801	43,481
More than three years to five years	572	38,921
Over five years	710	932
	<u>2,244,492</u>	<u>2,030,071</u>

Gross loans, advances and financing analysed by type of customers are as follows:

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Domestic banking institutions	35,890	5,239
Domestic non-bank financial institutions	295,814	361,192
Domestic business enterprises	1,619,306	1,441,133
Individuals	2,848	3,553
Government and statutory bodies	290,634	216,102
Foreign entities	-	2,852
	<u>2,244,492</u>	<u>2,030,071</u>

Gross loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Fixed rate		
- Other fixed rate loan/financing	22,281	98,548
Variable rate		
- Base lending rate plus	18,378	26,353
- Cost plus	1,992,855	1,744,004
- Other variable rates	210,978	161,166
	<u>2,244,492</u>	<u>2,030,071</u>

15. Loans, advances and financing (continued)

Gross loans, advances and financing analysed by geographical distribution are as follows:

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Malaysia	2,244,492	2,027,219
India	-	2,852
	<u>2,244,492</u>	<u>2,030,071</u>

Gross loans, advances and financing analysed by economic sector are as follows:

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Mining and quarrying	151,696	152,237
Manufacturing	491,977	564,053
Construction	183,128	148,674
Wholesale & retail trade and restaurants & hotels	621,631	370,097
Transport, storage and communication	130,423	162,670
Finance, insurance and business services	332,093	412,685
Education, health and others	290,634	216,102
House	2,848	3,553
Primary agriculture	40,062	-
	<u>2,244,492</u>	<u>2,030,071</u>

Movements in impaired loans, advances and financing are as follows:

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Balance at 1 January	1,979	2,519
Classified as impaired during the period/year	170	390
Reclassified as non-impaired during the period/year	(201)	(487)
Amounts recovered	(247)	(443)
At 30 September 2024/31 December 2023	<u>1,701</u>	<u>1,979</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.08%</u>	<u>0.10%</u>

15. Loans, advances and financing (continued)

Impaired loans, advances and financing analysed by economic sector and geographical distribution are as follows:

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Household (Malaysia)	<u>1,701</u>	<u>1,979</u>

16. Other assets

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Interest/income receivable	35,141	34,579
Margin placed with futures exchange	33,756	33,043
Collateral deposits placed with financial institutions	417,214	130,146
Securities receivable	516,320	128,446
Amount due from intercompanies	28,481	23,637
Other debtors, deposits and prepayments	<u>185,231</u>	<u>58,370</u>
	<u>1,216,143</u>	<u>408,221</u>

17. Deposits from customers

	Group		Bank	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Demand deposits	4,384,137	4,716,787	4,384,157	4,716,807
Fixed deposits	420,591	685,111	420,591	685,111
Other deposits	<u>528,317</u>	<u>719,596</u>	<u>528,317</u>	<u>719,596</u>
	<u>5,333,045</u>	<u>6,121,494</u>	<u>5,333,065</u>	<u>6,121,514</u>

The maturity structure of fixed deposits and other deposits are as follows:

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Due within six months	720,945	1,196,807
More than one year to three years	224,791	207,900
More than six months to one year	<u>3,172</u>	<u>-</u>
	<u>948,908</u>	<u>1,404,707</u>

17. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Business enterprises	4,716,529	5,302,063	4,716,549	5,302,083
Foreign customers	47,236	58,853	47,236	58,853
Domestic non-bank Financial institutions	<u>569,280</u>	<u>760,578</u>	<u>569,280</u>	<u>760,578</u>
	<u>5,333,045</u>	<u>6,121,494</u>	<u>5,333,065</u>	<u>6,121,514</u>

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Other financial institutions	<u>957,107</u>	<u>1,261,534</u>

19. Other liabilities

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Interest payable	4,846	5,155
Bills payable	2,369	6,147
Employee benefits	22,906	23,595
Collateral deposits received	1,123,805	614,569
Regulated short-selling activities	94,231	25,670
Securities payable	287,122	79,459
Amount due to intercompanies	52,937	57,784
Other liabilities	<u>124,378</u>	<u>45,065</u>
	<u>1,712,594</u>	<u>857,444</u>

20. Interest income

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	85,753	87,404	28,903	31,775
Money at call and deposit placements with financial institutions	51,493	54,069	18,079	16,339
Reverse repurchase agreements	10,527	11,140	2,512	5,982
Financial securities:				
- measured at FVTPL	70,157	44,549	16,627	19,553
- measured at FVOCI	52,670	37,674	18,702	13,519
Others	803	625	260	232
	<u>271,403</u>	<u>235,461</u>	<u>85,083</u>	<u>87,400</u>
Interest on credit-impaired assets included in interest income of loans, advances and financing	42	59	12	18

21. Interest expense

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	30,113	24,152	7,857	12,249
Deposits from customers	77,793	46,463	26,416	18,776
Repurchase agreements	16	52	-	(1)
Other interest expense	44	154	34	49
	<u>107,966</u>	<u>70,821</u>	<u>34,307</u>	<u>31,073</u>

22. Non-interest income

	Group and Bank			
	Nine months ended		Three months ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Fee income:				
Commissions	5,604	4,801	2,164	1,578
Service charges and fees	11,721	11,042	3,707	3,924
Guarantee fees	4,531	4,235	1,537	1,963
	<u>21,856</u>	<u>20,078</u>	<u>7,408</u>	<u>7,465</u>
Fee expense:				
Commissions	(3,243)	(2,815)	(1,082)	(1,019)
Service charges and fees	(3,113)	(2,860)	(1,042)	(996)
	<u>(6,356)</u>	<u>(5,675)</u>	<u>(2,124)</u>	<u>(2,015)</u>
Net fee income	<u>15,500</u>	<u>14,403</u>	<u>5,284</u>	<u>5,450</u>
Net gains from financial instruments:				
Net (loss)/gain arising on financial securities:				
Realised (loss)/gain	(6,157)	10,729	650	(3,294)
Unrealised (loss)/gain	(13,689)	(7,092)	652	(6,091)
Net gain/(loss) arising on trading derivatives:				
Realised gain/(loss)	54,780	62,573	37,741	(14,710)
Unrealised loss	(444,189)	(5,143)	(383,863)	(102,875)
Foreign exchange gain	569,941	76,579	415,264	174,585
Gross dividend income	60	60	15	15
Other operating income, net	11,828	12,296	2,287	1,032
	<u>172,574</u>	<u>150,002</u>	<u>72,746</u>	<u>48,662</u>
	<u>188,074</u>	<u>164,405</u>	<u>78,030</u>	<u>54,112</u>

23. Other operating expenses

	Group and Bank			
	Nine months ended		Three months ended	
	30	30	30	30
	September	September	September	September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
Salaries, allowances and bonuses	38,139	37,788	13,620	15,178
Others	8,952	4,956	2,748	(760)
Establishment costs:				
Rental	435	256	140	85
Depreciation - property and equipment	2,503	2,539	803	835
Depreciation - right-of-use assets	786	887	346	295
Others	6,950	5,558	2,420	1,522
Marketing expenses	1,202	1,174	241	235
Administration and general expenses:				
Intercompany charges	66,808	71,470	23,327	29,982
Communication	387	529	144	160
Others	4,104	5,323	1,473	2,182
	<u>130,266</u>	<u>130,480</u>	<u>45,262</u>	<u>49,714</u>

The number of employees of the Group and the Bank at the end of the period was 209 (September 2023: 195).

24. Write-back of/(Allowance for) expected credit losses

	Group and Bank			
	Nine months ended		Three months ended	
	30	30	30	30
	September	September	September	September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Write-back of/(Allowance for) expected credit losses				
- loans, advances and financing	582	499	240	282
- cash and cash equivalents	8	5	2	27
- debt securities at FVOCI	(249)	23	27	(89)
	<u>341</u>	<u>527</u>	<u>269</u>	<u>220</u>

25. Capital adequacy

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Paid-up share capital	531,362	531,362
Other disclosed reserves	21,184	12,703
Retained earnings #	1,114,939	1,306,134
Less: Deferred tax assets	(3,301)	(5,388)
Less: Cumulative gains of FVOCI	<u>(11,651)</u>	<u>(6,987)</u>
Total common equity tier 1/Total tier 1 capital	1,652,533	1,837,824
Tier 2 capital		
Expected credit losses ("ECL")*	2,424	2,014
Regulatory reserve	<u>45,000</u>	<u>45,000</u>
Total capital base	<u><u>1,699,957</u></u>	<u><u>1,884,838</u></u>
Common equity tier 1/Tier 1 capital ratio	19.116%	22.210%
Total capital ratio	<u><u>19.664%</u></u>	<u><u>22.778%</u></u>

Retained earnings after dividend paid and before the final dividend declared for 30 September 2024 and 31 December 2023 respectively.

* Refers to ECL for Stage 1 and Stage 2.

25. Capital adequacy (continued)

The capital adequacy ratios of the Group and of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework - Capital Components and Basel II – Risk-weighted Assets) effective on 14 June 2024 and 18 December 2023, respectively. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer (CCyB) are 4.5% for CET1 Capital Ratio, 6.0% for Tier 1 Capital Ratio and 8.0% for Total Capital Ratio.

The capital conservation buffer required to be maintained in the form of CET1 Capital above the minimum regulatory capital adequacy ratios requirement is at 2.5%.

The CCyB which is in a range of between 0% and 2.5%, and not a requirement for exposure in Malaysia yet but may be applied by regulators in the future.

The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

Risk Type	Risk-Weighted Assets	
	30 September 2024 RM'000	31 December 2023 RM'000
1. Credit risk	5,534,207	5,095,297
2. Market risk	2,297,775	2,455,189
3. Operational risk	812,951	724,398
Total	8,644,933	8,274,884

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 30 September 2024 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
		RM'000	RM'000	RM'000
1	Credit Risk			
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	4,373,961	3,971,187	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	1,424,668	1,332,990	578,718
	Corporates	2,207,183	2,207,183	2,140,226
	Residential Mortgages	1,148	1,148	402
	Other Assets	245,743	245,743	244,796
	Equity Exposure	19,624	19,624	19,854
	Defaulted Exposures	744	744	525
	<i>Total On-Balance Sheet Exposures</i>	<i>8,273,071</i>	<i>7,778,619</i>	<i>2,984,521</i>
	<u>Off-Balance Sheet Exposures</u>			
	OTC derivatives	2,949,196	1,919,836	1,057,946
	Direct credit substitutes	-	-	-
	Transaction related contingent Items	409,744	409,744	349,184
	Short term self liquidating trade related contingencies	11,534	11,534	10,633
	Other commitments, such as formal standby facilities and credit Lines	1,131,922	1,131,923	1,131,923
	<i>Total for Off-Balance Sheet Exposures</i>	<i>4,502,396</i>	<i>3,473,037</i>	<i>2,549,686</i>
	<i>Total On and Off- Balance Sheet Exposures</i>	<i>12,775,467</i>	<i>11,251,656</i>	<i>5,534,207</i>

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 30 September 2024 are as follows (continued):

RISK TYPE		Gross Exposures		Risk-Weighted Assets
		RM'000		RM'000
		Long Position	Short Position	
2	Market Risk			
	Interest Rate Risk	167,788,514	165,812,756	1,585,187
	Foreign Currency Risk	57,769	565,322	565,325
	Options	24,235	-	147,263
				2,297,775
3	Operational Risk			812,951
4	Total RWA			8,644,933

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 December 2023 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
		RM'000	RM'000	RM'000
1	Credit Risk			
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	4,128,534	4,010,697	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	1,401,528	1,199,240	549,869
	Corporates	2,018,428	2,018,428	1,993,405
	Residential Mortgages	1,573	1,573	551
	Other Assets	111,544	111,544	110,766
	Equity Exposure	19,624	19,624	19,854
	Defaulted Exposures	840	840	840
	<i>Total On-Balance Sheet Exposures</i>	<i>7,682,071</i>	<i>7,361,946</i>	<i>2,675,285</i>
	<u>Off-Balance Sheet Exposures</u>			
	OTC derivatives	1,981,441	1,416,182	820,589
	Direct credit substitutes	-	-	-
	Transaction related contingent Items	400,607	399,254	337,970
	Short term self liquidating trade related contingencies	11,140	11,140	10,724
	Other commitments, such as formal standby facilities and credit lines	1,250,729	1,250,729	1,250,729
	<i>Total for Off-Balance Sheet Exposures</i>	<i>3,643,917</i>	<i>3,077,305</i>	<i>2,420,012</i>
	<i>Total On and Off- Balance Sheet Exposures</i>	<i>11,325,988</i>	<i>10,439,251</i>	<i>5,095,297</i>

25. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 December 2023 are as follows (continued):

RISK TYPE		Gross Exposures		Risk-Weighted Assets	
		RM'000		RM'000	
2	Market Risk	Long Position	Short Position		
		Interest Rate Risk	123,981,399	121,352,246	1,468,088
		Foreign Currency Risk	830,836	789,014	830,838
		Options	22,930	-	156,263
				2,455,189	
3	Operational Risk			724,398	
4	Total RWA			8,274,884	

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.

26. Commitments and contingencies

The off-balance sheet exposures and their related counterparty credit risk of the Group and of the Bank are as follows:

Group and Bank 30 September 2024	Principal Amount	Credit Equivalent Amount	Risk- Weighted Assets
	RM'000	RM'000	RM'000
<u>Contingent liabilities</u>			
Direct credit substitutes	-	-	-
Transaction related contingent items	819,487	409,744	349,184
Short-term self-liquidating trade related contingencies	57,670	11,534	10,633
<u>Commitments</u>			
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	762,366	381,183	381,183
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,753,697	750,739	750,739
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-
<u>Derivative financial instruments</u>			
Foreign exchange related contracts			
- One year or less	24,624,028	675,684	577,945
- Over one year to five years	420,587	35,593	35,593
- Over five years	-	-	-
Interest/profit rate related contracts			
- One year or less	164,000	254	254
- Over one year to five years	353,663	8,066	7,510
- Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements			
- Foreign exchange related contracts	66,318,416	1,624,183	281,839
- Interest/profit rate related contracts	86,405,948	605,416	154,806
Total	183,679,862	4,502,396	2,549,686

26. Commitments and contingencies (continued)

The off-balance sheet exposures and their related counterparty credit risk of the Group and of the Bank are as follows (continued):

Group and Bank 31 December 2023	Principal Amount	Credit Equivalent Amount	Risk- Weighted Assets
	RM'000	RM'000	RM'000
<u>Contingent liabilities</u>			
Direct credit substitutes	-	-	-
Transaction related contingent items	801,214	400,607	337,970
Short-term self-liquidating trade related contingencies	55,702	11,140	10,724
<u>Commitments</u>			
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	826,911	413,455	413,455
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,186,370	837,274	837,274
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-
<u>Derivative financial instruments</u>			
Foreign exchange related contracts			
- One year or less	21,716,466	456,914	410,917
- Over one year to five years	613,871	33,891	26,129
- Over five years	-	-	-
Interest/profit rate related contracts			
- One year or less	50,000	90	58
- Over one year to five years	363,663	9,269	8,042
- Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements			
- Foreign exchange related contracts	47,892,318	659,920	146,721
- Interest/profit rate related contracts	56,387,368	821,356	228,722
Total	132,893,883	3,643,916	2,420,012

27. The operations of Islamic Banking

Statement of Financial Position
 As at 30 September 2024 – Unaudited

	Note	Group and Bank	
		30 September 2024 RM'000	31 December 2023 RM'000
Assets			
Cash and short-term funds	(a)	253,676	216,147
Other assets		20	48
Total assets		253,696	216,195
Liabilities and Islamic Banking funds			
Deposits from customers	(b)	216,544	178,421
Other liabilities	(c)	462	32
Tax payable		858	1,110
Total liabilities		217,864	179,563
Capital funds		25,000	25,000
Reserves		10,832	11,632
Islamic Banking funds		35,832	36,632
Total liabilities and Islamic Banking funds		253,696	216,195
Commitments and contingencies		-	-

27. The operations of Islamic Banking (continued)

Statement of Profit or Loss and Other Comprehensive Income
 For The Financial Period Ended 30 September 2024 - Unaudited

	Note	Group and Bank			
		Nine months ended		Three months ended	
		30	30	30	30
		September	September	September	September
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of Islamic funds	(d)	3,756	3,744	1,305	1,284
Total net income		3,756	3,744	1,305	1,284
Other operating expenses		(182)	(187)	(61)	(173)
Operating profit		3,574	3,557	1,244	1,111
Write-back of expected credit losses		-	4	-	-
Profit before tax		3,574	3,561	1,244	1,111
Tax expense		(858)	(855)	(299)	(267)
Profit for the period		<u>2,716</u>	<u>2,706</u>	<u>945</u>	<u>844</u>
Other comprehensive income/(loss):					
<i>Movement in fair value reserve (debt securities):</i>					
Net change in fair value		-	(9)	-	-
Income tax effect relating to component of other comprehensive loss		-	2	-	-
Other comprehensive loss for the period		<u>-</u>	<u>(7)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>2,716</u>	<u>2,699</u>	<u>945</u>	<u>844</u>

27. The operations of Islamic Banking (continued)

Statement of Changes in Islamic Banking Funds
For The Financial Period Ended 30 September 2024

Group and Bank	Capital funds	Other reserve	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	25,000	-	11,632	36,632
Total comprehensive income for the period	-	-	2,716	2,716
Dividend paid	-	-	(3,516)	(3,516)
At 30 September 2024	25,000	-	10,382	35,832
At 1 January 2023	25,000	7	10,327	35,334
Total comprehensive (loss)/income for the period	-	(7)	2,706	2,699
Dividend paid	-	-	(2,211)	(2,211)
At 30 September 2023	25,000	-	10,822	35,822

27. The operations of Islamic Banking (continued)

Statement of Cash Flows
 For The Financial Period Ended 30 September 2024

	Group and Bank	
	30 September 2024	30 September 2023
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	3,574	3,561
Adjustments for non-operating and non-cash items	-	4
Operating profit before working capital changes	3,574	3,565
Changes in working capital:		
Net changes in operating assets	28	20,025
Net changes in operating liabilities	38,553	295,955
Income taxes paid	(1,110)	(698)
Net cash generated from operations	41,045	318,847
Cash flows from financing activity		
Dividend paid	(3,516)	(2,211)
Net cash used in financing activity	(3,516)	(2,211)
Net increase in cash and cash equivalents	37,529	316,636
Cash and cash equivalents at beginning of period	216,147	179,099
Cash and cash equivalents at end of period	253,676	495,735
Analysis of cash and cash equivalents:		
Cash and short-term funds	253,676	495,735

27. The operations of Islamic Banking (continued)

Shariah Committee

The Shariah Committee was established under BNM's "Policy Document on the Governance of Shariah Committee for the Islamic Financial Institutions" (BNM/GPS1) to advise the Board of Directors on Shariah matters in its Islamic business operations and to provide technical assistance in ensuring the Islamic banking products and services offered by the Bank and the relevant documentation are in compliance with Shariah principles.

The Shariah Committee comprises of Dr Uzaimah binti Ibrahim, Puan Zarinah binti Mohd Yusof and Encik Ahmad Firdaus bin Kadir.

Basis of measurement

The financial statements of the Islamic banking business have been prepared on the basis consistent with that of the Group and of the Bank as disclosed in Note 1 to the financial statements of the Group and of the Bank.

(a) Cash and short-term funds

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Cash and balances with banks and other financial institutions	<u>253,676</u>	<u>216,147</u>

(b) Deposits from customers

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Demand deposits	<u>216,544</u>	<u>178,421</u>

(c) Other liabilities

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Bills payable	448	32
Other liabilities	<u>14</u>	<u>-</u>
	<u>462</u>	<u>32</u>

27. The operations of Islamic Banking (continued)

(d) Income derived from investment of Islamic banking funds

	Group and Bank			
	Nine months ended		Three months ended	
	30	30	30	30
	September 2024	September 2023	September 2024	September 2023
	RM'000	RM'000	RM'000	RM'000
Deposits or placement with BNM	4,908	4,524	1,702	1,641
Financial securities (Sukuk)	-	234	-	-
Hibah on Qard Islamic Current Account	(1,211)	(1,072)	(417)	(379)
Other income	59	58	20	22
	<u>3,756</u>	<u>3,744</u>	<u>1,305</u>	<u>1,284</u>

(e) Capital adequacy

The capital adequacy ratios of the Islamic banking business of the Group and the Bank are computed in accordance with the Capital Adequacy Framework for Islamic Banks (CAFIB). The Bank's Islamic banking business has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

Components of Tier I and Tier II Capital:

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Capital funds	25,000	25,000
Other disclosed reserves	-	-
Retained earnings [#]	<u>8,116</u>	<u>11,632</u>
Total common equity tier 1/Total tier 1 capital	33,116	36,632
Total Tier 2 capital	<u>-</u>	<u>-</u>
Total capital base	<u>33,116</u>	<u>36,632</u>
Common equity tier 1/Tier 1 capital ratio	434.629%	592.272%
Total capital ratio	<u>434.629%</u>	<u>592.272%</u>

[#] Retained earnings after dividend paid and before the final dividend declared for 30 September 2024 and 31 December 2023 respectively.

27. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

Risk Type	Risk-Weighted Assets	
	30 September 2024 RM'000	31 December 2023 RM'000
1. Credit risk	-	-
2. Market risk	-	-
3. Operational risk	7,619	6,185
Total	7,619	6,185

27. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 30 September 2024 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
1	Credit Risk	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	253,696	253,696	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	-	-	-
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	-	-	-
	Regulatory Retail	-	-	-
	Residential Mortgages	-	-	-
	Higher Risk Assets	-	-	-
	Other Assets	-	-	-
	Equity Exposure	-	-	-
	Defaulted Exposures	-	-	-
	<i>Total On-Balance Sheet Exposures</i>	253,696	253,696	-
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	-	-	-
	Credit Derivatives	-	-	-
	<i>Total for Off-Balance Sheet Exposures</i>	-	-	-
	<i>Total On and Off- Balance Sheet Exposures</i>	253,696	253,696	-

27. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 30 September 2024 are as follows (continued):

RISK TYPE		Gross Exposures		Risk-Weighted Assets
		RM'000		RM'000
2	Market Risk	Long Position	Short Position	
	Interest Rate Risk	-	-	-
	Foreign Currency Risk	-	-	-
	Options	-	-	-
				-
3	Operational Risk			7,619
4	Total RWA			7,619

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.

27. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 December 2023 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
1	Credit Risk	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	216,195	216,195	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	-	-	-
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	-	-	-
	Regulatory Retail	-	-	-
	Residential Mortgages	-	-	-
	Higher Risk Assets	-	-	-
	Other Assets	-	-	-
	Equity Exposure	-	-	-
	Defaulted Exposures	-	-	-
	<i>Total On-Balance Sheet Exposures</i>	216,195	216,195	-
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	-	-	-
	Credit Derivatives	-	-	-
	<i>Total for Off-Balance Sheet Exposures</i>	-	-	-
	<i>Total On and Off- Balance Sheet Exposures</i>	216,195	216,195	-

27. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 December 2023 are as follows (continued):

RISK TYPE		Gross Exposures		Risk-Weighted Assets	
		RM'000		RM'000	
2	Market Risk	Long Position	Short Position		
		Interest Rate Risk	-	-	-
		Foreign Currency Risk	-	-	-
		Options	-	-	-
				-	
3	Operational Risk			6,185	
4	Total RWA			6,185	

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.